

Master Promissory Notes – School Processing Options

Introduction

Direct Loan schools have several options related to Master Promissory Note (MPN) processing. These options can be managed and selected on the [Common Origination and Disbursement \(COD\) Web site's](#) School Options Information page. **Note:** Only certain authorized users at a school may be able to change the options on the page.

The two main options are 1) the entity (the school or the COD System) that notifies borrowers that an MPN is needed, follows up when the MPN is not received, and collects completed paper MPNs and 2) how the MPNs are completed (electronic vs. paper). Depending on these settings, there are additional related options.

School vs. COD System

Many schools choose to manage MPN processing on their campus. In this instance, schools usually direct borrowers to the [StudentLoans.gov Web site](#) to complete MPNs electronically or provide borrowers with paper MPNs to sign.

These schools should set the Promissory Print Option to “N” which indicates that the COD System does not need to send notices or MPNs to borrowers. **Note:** These schools should not include the <PromissoryPrintCode> tag with the Direct Loan award information in the Common Record. See additional information in an [Electronic Announcement posted on August 26, 2011](#).

Other schools choose to have the COD System notify borrowers that an MPN is needed, send follows up notices when the MPN is not received, and collect completed paper MPNs. In this case, a school should set the Promissory Print Option to “Y”.

When the Promissory Print Option is set to “Y,” the COD System sends the following to **all** of a school’s student and parent borrowers:

- Guidance on Completing the MPN
- 15-day MPN Reminder (e-mail only)
- 30-day MPN Reminder (both e-mail and hard copy mail)
- 60-day MPN Reminder

The correspondence is initiated upon receipt of the loan information in the Common Record. For Direct PLUS Loans, an accepted credit decision (or accepted endorser addendum) must also be on file.

The correspondence is sent to borrowers either by e-mail or by mail (to the home address). The default setting is sending correspondence via e-mail unless the borrower has opted to not receive correspondence electronically or does not have an e-mail address. Borrowers change their option to receive correspondence electronically via the [StudentLoans.gov Web site](#).

Note: Because the COD System-generated correspondence directs borrowers to

the [StudentLoans.gov Web site](#) to complete the MPN electronically, schools choosing to have the COD System manage the collection of MPNs are strongly encouraged to participate in the electronic MPN process.

Samples of the correspondence can be found on the [Direct Loan Web site](#).

Electronic

Borrowers complete an MPN electronically via the [StudentLoans.gov Web site](#).

- Domestic schools may choose whether to allow their borrowers to complete the MPN electronically. Electronic processing is the default value, but this option may be updated on the [COD Web site's](#) School Option Information page.
 - Foreign schools must allow their borrowers to complete the MPN electronically.
 - Borrowers have the right to complete a paper MPN. (See more information about paper processing below.)
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Electronic MPN Options Set on COD Web site

Schools participating in the electronic MPN process may set the following options on the [COD Web site's](#) School Option Information page:

- eMPN Participation (Domestic Schools Only) – Determines whether or not borrowers may select the school when completing the MPN via the [StudentLoans.gov Web site](#).
 - “Y” is participating.
 - “N” is not participating.
 - Loan Origination Record (LOR) Required to complete eMPN –
 - If set to “Y,” the borrower may *not* select the school when completing the MPN on the [StudentLoans.gov Web site](#) unless a loan with an amount greater than zero is on the COD System.
 - If set to “N,” the borrower may select the school when completing the MPN on the [StudentLoans.gov Web site](#) with or without a loan on the COD System.
 - eMPN Message –
 - Schools may enter a specific message that will be included in the e-mail that is sent to a parent or student borrower once he or she has completed the MPN electronically. **Note:** The e-mail will be sent if the borrower has an e-mail address on file and has opted for electronic correspondence.
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Paper

Schools that choose to use only paper MPNs may:

- Order blank MPNs (with or without data labels) via the [FSAPubs Web site](#). Schools must complete the school section of the form.
- Produce or program the entire form. Schools that create their own MPN must submit a copy of the school-produced version to Federal Student Aid for testing to ensure that it can be processed.

- A school-produced MPN that is submitted for testing should contain only test data, and the shipping package should be clearly identified as being for testing purposes only. Test copies should be mailed to:

Department of Education
ATTN: MPN Testing Only
P.O. Box 5691
Montgomery, AL

For schools that usually do not use paper MPNs, but have a borrower that wants a paper MPN, they can:

- Keep a small stock of paper MPNs on hand for exception processing.
- Have the COD System print and mail an MPN to a specific borrower, by including the <PromissoryPrintCode> tag with the Direct Loan award information in the Common Record. See additional information in an [Electronic Announcement posted on August 26, 2011](#) or see [Volume II, Section 1 of the COD Technical Reference: Implementation Guide](#).

Signed paper MPNs and an MPN manifest (see below) must be sent to the Department of Education for acceptance and processing. See [Volume II, Section 1 of the COD Technical Reference: Implementation Guide](#) for further information.

MPNs sent via regular mail should be mailed to the following address:

Department of Education
P.O. Box 5692
Montgomery, AL 36103-5692

MPNs sent via overnight, express, or certified mail should be mailed to the following address:

Department of Education
201 TechnaCenter Drive
Montgomery, AL 36117

MPN Manifest Paper MPNs sent for processing must include a manifest that lists the borrower's name and MPN ID for each MPN in the shipment. The manifest also provides a certification to be signed by an official at the school.

Complete details about the manifest can be found in [Volume VI, Section 7 of the COD Technical Reference: Print Specifications and Forms](#).
